Bank seeks to break tie to BCCI

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■ First American's Clifford resigns as scandal simmers.

From wire services

WASHINGTON — Clark Clifford's abrupt resignation as the head of First American Bankshares Inc. is aimed at cutting off the banking company from the widening BCCI scandal and reassuring jittery depositors.

First American, a bank holding company with $11 billion in assets and branches from New York to Florida, announced yesterday that Clifford, one of the capital's most influential power brokers, was resigning as its chairman.

Clifford, 84, and Washington-based First American have been under a darkening cloud in recent weeks, following regulators' charges that the Bank of Credit and Commerce International illegally acquired First American in 1982.

Banking officials said the Federal Reserve Board and Charles McC. Mathias, the former Republican senator from Maryland who is on First American's board, helped force the resignations that commence the latest chapter in the BCCI saga and the dizzying decline of Clifford and Robert A. Altman, 44, from their highly lucrative bank posts. Altman, Clifford's law partner and protege, also was leaving First American, the company said. Altman is a director of First American and president of one of its affiliates.

Mathias, who had taken a leading role in managing the bank earlier this year when the BCCI connection was first discovered by the Fed, took the leading role in demanding the ouster of Clifford and Altman, banking officials said.

Mathias declined through a spokesman to discuss the specifics of how the two were forced out.

BCCI is engulfed in what may be the biggest banking scandal in history involving alleged massive fraud, laundering of drug money and support of terrorists.

Last month, a New York grand jury announced an indictment against BCCI, its Pakistani founder and former chief executive officer on charges of fraud, falsifying records and stealing more than $30 million.

"This is an overdue event . . . for them to be divorced from First American," said Bert Ely, a financial institutions analyst in Alexandria, Va. "Its value as an institution is damaged at this time."

Clifford and Altman said in a statement they were leaving to protect First American from the negative publicity surrounding BCCI.

Neither Clifford nor Altman was named in the New York indictment and they have not been accused of wrongdoing. The two have said they were misled by the Arab investors.

Grand juries in New York and Washington are investigating whether Clifford and Altman misled regulators about First American's relationship with BCCI.

"Our position is [the resignations] will make no difference in our pursuit of the investigation," said Michael Cherkasky, chief of the investigation division in the Manhattan district attorney's office.